prepare a comprehensive revival plan for long term viability of the company. The consultants have since submitted their report. And a comprehansive proposal for the revival of the plant is under consideration.

Special Import Duty on Seconds and Defective items of Steel

2443. SHRI SANJAY NIRUPAM:
SHRI PARAMESHWAR KUMAR AGARWALLA:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that an expert group on steel has recommended imposition of special import duty on seconds and defective items and a hike in import tariff on certain types of steel;

(b) if so, what are those types;

(c) whether Government have considered the recommendation; and

(d) if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes, Sir.

(b) to (d) A working Group had been set up by Government to study the present slow down in the steel sector. The Group has since submitted its report. The recommendations of the working Group, *inter-alia* includes:

(i) To consider feasibility of converting ad valorem rate of import duty into fixed duties on certain finished steel items.

(ii) To consider a combination of measures comprising levy of special import duty on imports of seconds and defectives along with raising duties for certain types of steel upto World Trade Organisation bound rates.

(iii) To consider removal of imports of Seconds and Defective below a specific floor price from OGL.

(iv) Establishing a fast track mechanism, to deal with cases of dumping under the Customs Tariff Act.

In accordance with the recommendations made by the Group, Government has recently announced floor prices for import of seconds and defectives in respect of the following steel items to restrict their import, at low prices:

1. HR. Coils (TMQ)
2. H.R. Sheets
3. C.R. Coils
4. Tinplates
5. Electrical Sheets (CRNO)
6. Plates
7. Alloy Steel Bars & Rods (Hot Rolled in Coils)

Funds for Steel Projects

2444. SHRI RAMDAS AGARWAL: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether financial institutions have agreed to provide funds for the completion of on-going steel projects in the country, as reported in the Hindustan Times dated the 20th November, 1998;

(b) whether any terms and conditions have been imposed by the FIs in this regard;

(c) if so, the details thereof and response of steel companies thereto;

(d) how many steel projects have so far been cleared by Government in private sector indicating their financial involvement/exposure and likely additional capacities projected during 1998-99 in million tonnes; and

(e) whether the Industrial Development Bank of India has agreed to provide any financial guarantee in this regard to FIs?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (c) The Financial Institutions have agreed in principal, to consider need based support including minimum additional fund required by deserving and viable steel

projects under implementation for their completion subject to certain special terms and conditions which inter-alia include pledging of promoters' share holding, appointment of an independent engineer to supervise implementation, appointment of concurrent auditors, 100% conve ion option for the new loans and establishment of a cash flow monitoring mechanism. Reportedly, the steel companies are generally agreeable to these conditions.

(d) No clearance from the Union Government is required for setting up a steel project in the private sector, save for certain locational restrictions. During 1998-99, as per available information, four units are likely to commence commercial production with likely additional capacity of about 2.7 Million Tonnes.

(e) No, Sir.

Breakdown of Aluminium Plant in Orissa

2445. SHRI ANANTA SETHI: Will the Minister of STEEL AND MINES be pleased to state:

(a) the reasons for the frequent breakdown of NALCO's Aluminium Plant in Orissa;

(b) the number of times there was breakdown in that Aluminium Plant during the last three years and the losses sustained on account of breakdown;

(c) the steps taken to avc such incidents; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (d) Breakdown of NALCO's Aluminium Plant is not frequent. There was no breakdown in the Aluminium Smelter Plant of National Aluminium Company Ltd. (NALCO) during the last three years i.e. 1997-98, 1996-97 and 1995-96. A breakdown occured only in 1998-99.

Demand and Production of Zinc

2446. SHRI ANANTA SETHI: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that there is a wide gap between domestic demand and production of Zinc in the country;

(b) if so, the reasons therefor;

(c) the steps taken to meet the demand of Zinc metal; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (d) There is a gap between the domestic demand and production of zinc in the country and the Primary producers of zinc metal in the country are unable to meet the total domestic demand. Domestic production capacity could not be built up in view of the limited availability of mineral resources in the country. At present, the gap between the domestic demand and primary production of the metal is met through recycling and imports under Open General Licence (OGL). However, Hindustan Zinc Limited (HZL) by debottlenecking of their existing smelters at Debari and Visakhapatnam propose to increase the capacity of zinc metal by 10,000 tonnes each. Feasibility study is also in progress by HZL for setting up a new zinc smelter with a capacity of 100,000 tonnes per annum. Binani India Limited (BIL) has plans to increase the zinc metal production capacity from existing 30,000 tonnes per annum to 60,000 tonnes per annum during the 9th Five Year Plan. BIL have also proposal to set up new green-field plant for zinc produ ion during 9th/10th Five Year Plan.

Release of Funds for Magnite Mines

2447. SH' BANGARU LAXMAN: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the Gujarat Government has requested for release of funds for magnite mines in the State: